

# THE AMERICAN OBSERVER

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Madison*

VOLUME I, NUMBER 32

WASHINGTON, D. C.

APRIL 27, 1932

## ELECTIONS IN PRUSSIA TEST HITLER'S POWER

**Effort to Gain Majority in Prussian Diet Regarded as Crucial Moment in Career**

### REICHSRAT CONTROL AT STAKE

**Nazi Leader Hopes to Win Upper House Through State Contests**

In the fall of 1930, when elections for the Reichstag were held in Germany, a surprising and very important development took place. The National Socialist Party, under the leadership of Adolf Hitler, polled nearly six and a half million votes and increased its representation in the Reichstag from 12 to 107 seats. In the spring of 1932 another important but less surprising development took place. In the German presidential elections held on March 13, Adolf Hitler was given over 11,300,000 votes, and in the second presidential contest he received over 13,400,000 votes. While he has thus far been unable to control the Reichstag, and while he was defeated for the presidency by the revered von Hindenburg, it is nevertheless true that Adolf Hitler has been constantly gaining in power. In each test he has come out stronger than he was before. He made what was perhaps his supreme effort in the Prussian elections on April 24, to which we refer in detail later in this article.

It is important at this point to consider this amazing growth of Hitlerism in Germany. Adolf Hitler offers the German people a vague and indefinite program. He has presented no carefully thought out plan of action. Beyond a few promises it is not known just what he will do if given power. And yet he increases steadily in strength. How may we account for it?

#### HARD TIMES

The major cause would seem to lie in the economic situation in Germany. Hitler's ascendancy began late in 1930 and it was in that year that the state of affairs in Germany first became acute. The growth of the National Socialist Party seems to have proceeded simultaneously with the economic depression in that country. Further evidence may be found in the recent presidential contest. With conditions much more severe than in 1930 the strength of Hitler nearly doubled.

A few weeks ago, Chancellor Heinrich Brüning characterized the winter just passed as the hardest the German people have experienced in a hundred years. There is thus much dissatisfaction in Germany. When hard times befall them people tend to become discontented. They frequently want a change in government, or are at least willing to try something new, hoping that it will bring them better times. Hitler promises a change. He has pledged himself to take action—to give Germany a new deal.

It is understandable that this should appeal to a great number of Germans. According to reports coming out of Germany, Chancellor Brüning's statement is not a rash one. At the end of January unemployment reached a new high point, totaling 6,641,000. The people generally are discouraged, many despairing. Millions are in want. There is no work to be had. Probably two-fifths of the people live by

(Concluded on page 7, column 1)



DR. HEINRICH BRÜNING

© Wide World Photos

## Policies of Chancellor Brüning Great Issue in Present-day German Politics

There is one issue in Germany which overshadows all others. It is present in every political campaign, in every election, no matter what other subjects or personalities may be involved. The really dominant issue in German politics is between Chancellor Brüning and Adolf Hitler. The entire country, aside from a few small dissenting groups, is divided into two camps. There is the Germany of Brüning and the Germany of Hitler.

Ever since he became chancellor, two years ago this month, Dr. Brüning's career has been a stormy one. Never fully certain of remaining in power for any length of time, he has carried out his policies with determination and vigor. Striking boldly, he has all but suppressed representative government in Germany and has governed the country as virtual dictator. Unable to win the support of the Reichstag three months after coming into office, he had the body dissolved and a new election called. Taking advantage of a provision in the constitution empowering the president to enact temporary legislation by emergency decree, he has ruled the people by one decree after another. The Reichstag has wrangled and grumbled but Brüning has remained chancellor. Through it all he has had the solid support of President von Hindenburg, who has furnished the authority for the promulgation of decrees.

One may well wonder how Heinrich Brüning ever became chancellor of Germany. He is not a politician, not an orator, he has little personal popularity. But he is a man of iron will who cannot be kept from carrying out his intention. He has an amazing capacity for hard, relentless work. He is a philosopher, a student, and possesses

an unsurpassed knowledge of economics and finance. It was perhaps these qualities that brought him the chancellorship only six years after he had entered politics.

In many respects Brüning is an enigma. He is admired by many but loved by few. He has managed to win the respect and support of his people but has not been successful in winning their enthusiasm. It is probable that such things do not greatly trouble him. He is at the head of Germany in her time of crisis. He has given his country leadership in some of the most trying moments in her history. There are many who believe he has been the savior of Germany. There are millions of Germans who have faith in his policies, be they national or international.

But with it all, the surging tide of opposition looms ominously. It threatens at any moment to break and to sweep the iron chancellor from his throne of power. The rising power of his colorful antagonist, Adolf Hitler, seems to make his position more than ever insecure. Will he be able to resist the swelling forces of Hitlerism? It is the supreme test for Heinrich Brüning.

So far he has been successful. He has repulsed every effort of the National Socialists to turn the Reichstag against him. In the recent contest for the presidency, the German people returned his candidate to office. Up to the present Brüning has proved stronger than Hitler. But the chancellor cannot be certain that he will continue to enjoy such success. As this is written the German state elections have not yet been held. Possibly the fate of Dr. Brüning may depend on the outcome of these elections.

## HOUSE GROUP URGES FULL BONUS PAYMENT

**Plans to Pay Veterans Two Billion Dollars Studied by Committee. Party Leaders Opposed**

### ISSUE OF CHEAP MONEY RAISED

**Printing of Special Paper Currency Denounced as Policy of Inflation**

The World War, in addition to its consequent burden of international debts and reparations, left problems of a strictly national character, many of which have not yet been solved. Of these, none has received more attention from Congress and the general public than that of giving assistance to those who served the nation during the period of the war. The question of offering a reward, or bonus or compensation, to the soldiers was raised shortly after the "doughboys" returned from the front. Congress has, on numerous occasions since that time, enacted legislation providing either direct or indirect assistance to the veterans. It has appropriated funds for the building and upkeep of hospitals to care for the disabled; it has established a system of vocational education for the veterans; and it has adopted a program of insurance for those who upheld the flag.

#### PRESENT ISSUE

So numerous have these various items become that they now constitute an important part of the national budget. The amount of money allotted to veteran relief during the next fiscal year is more than one billion dollars. This is approximately one-fourth of the total expenditures of the federal government, including the amount spent for national defense and for payments on the national debt. Thus, for every four dollars withdrawn from the treasury, about one dollar goes to assist the ex-soldiers.

Veteran relief continues to be an important political issue. When enacted, the various laws appeared to have settled the problem, but past solutions have proved to be only temporary or illusory, for out of a clear sky the issue flares up again and throws the country into a bitter controversy. Such a controversy has recently arisen over a number of bills introduced into Congress. The object of these measures is to give further financial aid to those who bore arms during the world conflict.

The storm center of the present controversy is the Ways and Means Committee of the House of Representatives. It is to this committee that the bills have been referred for consideration and for hearings. Members of Congress, together with representatives of organizations not connected with the government, have had the opportunity to present their views on the subject.

#### COMPENSATION CERTIFICATES

The important bonus bills now commanding attention provide for the immediate payment of more than two billion dollars to veterans. They differ only as to the manner in which payment shall be made. We shall consider the main provisions of the bills and then take up various objections which have been raised by those who are opposing them.

The principal provision is that the government shall make full payment to all holders of adjusted compensation certi-



ates. These certificates are similar to insurance policies. In 1924, Congress voted—over the veto of President Coolidge—to compensate the soldiers for their service. Those who remained in this country were allowed one dollar a day for the time they served between April 5, 1917, and July 1, 1919, whereas those who went abroad were granted \$1.25 a day. But instead of making an outright gift to the soldiers, Congress voted to award them compensation certificates—a sort of endowment policy—to mature in twenty years, or in 1945.

At present, there are 3,539,507 veterans who hold certificates. The value of each depends upon the length of time spent in the service, the minimum being \$126 and the maximum, \$1,590. The total value of all certificates is \$3,638,620,058. This amount is not, however, outstanding at the present time. During the last session of Congress, a bill was passed providing that holders of the certificates might borrow up to fifty per cent of the face value. Deducting the amount already borrowed from the total value, we have \$2,390,834,950, the amount which will have to be paid out if the proposed legislation is enacted.

There is, of course, no obligation on the part of the government to redeem the certificates at present. The agreement was made to pay the holders thirteen years hence. In the meantime, the veterans are receiving interest at four per cent, compounded annually. As a matter of fact, should Congress decide to pay off the so-called bonus at present, the government would have to pay thirteen years' interest in advance, or the interest accumulating between 1932 and 1945 because the bills provide for the payment of the value of the certificates at maturity.

Now, the real problem arises. Where is the government to get that much money? It is already faced with a deficit of more than two billion dollars for the present year. It is having tremendous difficulties in finding taxes which will yield one billion dollars. The advocates of the so-called bonus bills are well aware of these conditions, and have accordingly presented methods by which payment could be made. One group proposes to have the government raise the money by borrowing. It would have the treasury issue bonds and sell them to banks or the investing public and obtain the funds in this manner. Another group, however, is opposed to this procedure. It favors a plan of "paying off" the soldiers which will not oblige the government to run more heavily in debt.

#### NEW PAPER MONEY

According to this proposal, the Bureau of Printing and Engraving in Washington would be ordered to print \$2,400,000,000 worth of paper money or "greenbacks." This money would then be handed over to the veterans. But instead of issuing new currency only when the reserves definitely prescribed by law are in the vaults of the treasury or the Federal Reserve Banks, the new bills would just be "run off the press."

This is where the real issue in the present controversy lies. Unlike past legislation, the present debates do not center upon the emotional grounds that the soldiers and sailors rendered a real service to their country and should therefore receive a minimum reward. True, the old pictures of scenes along the western front are conjured up in the minds of those who are urging the present legislation. But these arguments are playing a much less important role than they have in the past. It is now a question of helping the country, of starting the wheels of industry once more, of putting an end to the depression. The advocates of this measure are of the opinion that it would be a most constructive step and would accomplish results much to be desired at the present time. How would this be brought about? Let us listen to those who are advocating the issue of the new currency.

If business is to recover, there must be more money in circulation. Prices must rise. We must have cheaper money. A dollar must be worth less than it is at present. But does not the dollar always have the same value? Does it not always contain one hundred cents? True, it con-

tains the same number of cents, but a dollar does not have the same value. The 1932 dollar is worth more than the 1928 or 1929 or 1930 dollar. In 1928, one dollar would buy only two bushels of wheat, let us say. Now, it will buy three. Then, it would buy five yards of cloth, now it will buy eight. More pounds of cotton, wool, copper, silver can now be bought for a dollar than three or four years ago. Prices have declined because the dollar is worth more than it was.

#### PRICES MUST RISE

But is not that just what we want? Do we not wish to get as much for our money as possible? Has it not brought down the cost of living? For those who receive the same number of dollars now as formerly, it is an excellent thing. But it so happens

each will be worth less. The same amount of gold now backing five billion dollars will be used to back seven billion dollars. A dollar will be cheaper. It will buy fewer pounds of cotton, fewer bushels of wheat and fewer yards of cloth. Thus, it will be easier for those having debts to pay to obtain the funds. Farmers and business concerns will be able to raise the money more easily than at present.

Representative Patman of Texas, one of the strongest advocates of this plan, believes that it would bring an end to the depression. He recently stated:

This plan can become effective at once and the money distributed in payment of the debt to the veterans in every nook and corner of America; purchasing power will be placed into the hands of consumers; commodity prices

have some money from the government, and political pressure might be brought to bear upon Congress to authorize the printing of several billions more in paper money. Then, the government, faced with so many debts, might feel the temptation of paying its obligations by means of printing new currency in order to avoid taxation. These arguments have recently been advanced by a member of the House, Representative Johnson of South Dakota. In opposing the plan, he has said:

The full payment now would take \$2,423,000,000. If this currency is issued to help one group, this Government must immediately issue currency to help other groups in distress. It must issue \$9,000,000,000 of currency to the farmer and an equal amount for the wage earner, and within two weeks after that is done the American dollar would dive as did the German mark.

The effects of such a condition upon general business conditions would be unfavorable. Foreign nations would lose confidence in the dollar. They would sell their shares in American companies and other investments in this country in order to obtain the gold. All would want to get their money out of the United States. They would convert it into currencies of other nations. Even people here would lose confidence and would start to convert their currency into gold in order to be safe. And so, the opponents of the plan argue, it would do a great deal of harm and would completely upset business.

#### DANGERS

Furthermore, it has been called to the attention of those who are urging this program that the issue of new currency would not necessarily cause prices to rise. Large sums of money were placed in circulation by means of the bonus act of last year. Almost one billion dollars have been borrowed by the veterans on their certificates since the first of March, 1931. This sum, equal to two-fifths of the amount of the present bill, did not help business conditions. Prices did not rise. On the contrary, they continued to fall. Business did not get better; it became constantly worse. This is not cited to show that the bonus was the cause of the decline in prices, but that prices declined in spite of the renewed purchasing power.

Now let us turn to the other way of raising the money necessary to pay the face value of the certificates. If the government is to pay the veterans by means of new borrowings, it will have to sell more than two billion dollars' worth of bonds. This proposal has also been sharply criticized. President Hoover and many leaders of Congress are of the opinion that such a loan could not be made without seriously undermining the credit of the government. They believe that all the work of attempting to balance the budget would be futile. Government bonds are, many of them, selling below par at the present time. And in spite of anything, the treasury will have to sell more bonds within the next few months. Not only will it have to provide funds for the ordinary expenses of the government, but it will be called upon to pay a number of holders of Liberty and Victory bonds sold during the war period. It will be a case of borrowing funds from one investor to pay off another investor. If, on top of these loans, two billion dollars are added, the new bond issue would, it is felt, prove a burden which the credit of the government could not stand.

In either case—whether the money be raised by a new issue of currency or by borrowing—the opponents of full payment of the compensation certificates are of the opinion that it would drive the country from the gold standard. Foreign creditors would lose confidence in the dollar just as they did in the English pound prior to the suspension of the gold standard in Great Britain. Seeing this, people in this country would rush to the banks and to the treasury to convert their paper money into gold so that the government would be obliged to announce that it could no longer pay out gold for the currency, as it does at present.



JUST WHEN HE WAS REGAINING HIS BALANCE

—Brown in N. Y. HERALD TRIBUNE

that there are many people who do not belong to this class. There are the millions of farmers who have debts to meet. They have mortgaged their farms. Business concerns have borrowed funds with which to operate. Manufacturing companies are in debt. And many contracted debts when the dollar was worth less than at present. A farmer, for example, borrowed \$100 in 1929. He must repay it this year. At that time, he only had to sell perhaps one-half as many bushels of wheat, or pounds of cotton as he must sell at present to get the hundred dollars. Business concerns must sell more suits of clothes, sets of furniture, or other goods in order to get the money with which to meet their debts.

So, if prices could be made to rise, it would help millions of people now in distress. They could sell their goods for more money and would be able to pay their debts. Something should therefore be done to make prices rise. This can be accomplished by putting more money in circulation. The two billion new dollars will go to more than three million veterans who will buy shoes and hats and meat and milk. The money will circulate throughout the country. It will mean an added circulation of \$18 for every man, woman and child in the country.

And with more dollars in circulation,

will rise; wheels of industry will commence to turn to supply demands from consumers; stocks, bonds, and property of all kinds will be more valuable and the general welfare will be promoted. The payment can be made in this way without a bond issue, without additional taxes, without paying interest, and without unbalancing the budget.

#### OPPOSITION

While there is a general agreement among leading economists that a rise in prices would be an excellent development in the business situation and would help the return of prosperity, there is nevertheless decided opposition to this plan. It has been branded as a process of inflation, the consequences of which might prove disastrous. These people point to the post-war experience of Germany. That government embarked upon a policy of inflation. The printing presses were put to work running off large quantities of marks. Prices rose to such high levels that it took millions of marks to purchase a suit of clothes and other products.

It is admitted that the United States government does not contemplate such a program. The amount of additional currency would naturally be limited to \$2,400,000,000. But, say the opponents of this plan, other groups—the farmers, for example—might feel that they too should



## Belgium, Italy, Switzerland, Poland Figure in International Correspondence

Each nation, like each family, has its own peculiar problems—problems about which the outside world may know very little. We may think of a particular foreign nation in connection with international problems with which, in our minds, its name is associated, and we may assume that these are the problems about which the people of that country are thinking. As a matter of fact, they may be more concerned with some domestic question about which we have scarcely heard.

This is true of Belgium. What problems had you supposed the Belgian people were concerned with—war debts, or reparations, or security, or disarmament? They, no doubt, think of these problems and also of the world-wide business depression. But they also have on hand a racial or a language problem which is one of the most troublesome questions of their national life.

The nation is divided into two sections, Flanders and Wallonie. The people are quite different. In Flanders, Dutch (Flemish) is spoken. In Wallonie, French is the language. A Belgian correspondent, a woman living in Mechelen (or Malines) describes the division of the population in her home town, and after explaining her former uncertainty as to what was wrong, says:

And then I began to realize that this language question was the whole root of the matter. I learnt about the Flemish movement for self-government and self-development and the griefs of the Flemish people (and please don't think of them as a minority; they are more than half the population of Belgium). I saw that so long as the upper classes remained divided from the people there could be no general culture; so long as justice was administered in French and the poor man often didn't know what his lawyer was talking about, so long as the commandments in the army were given in French, so long as an educated Flemish man had no chance of getting a good government job, there could be no good will or healthy social life.

I seem to have got on to the Flemish question. It is what always happens in Belgium. You start a conversation about any subject and after a time you find yourself arguing about the language question again. It is the important subject in our national politics.

The difference of thought in the two races is very marked in their ideas about disarmament and peace. The French speaking people on the whole have the same ideas as in France—security first—whereas the Fleming is an idealist and full of mysticism. He says (at least the extremists do), "Let us disarm anyway, whether the other countries do or not, and set them a good example." There are among them many conscientious objectors and believers in the doctrine of Tolstoi.

When we turn to Italy we find a very

different problem—a problem of government. Italy is also troubled by the depression, but the people are tremendously concerned about a great change which the years since the war have seen. Democracy as a system of government has been abandoned in that country and a form of dictatorship, Fascism, has been substituted. An Italian professor writes to us about some of the effects of this change:

Fascism, although it has suppressed the freedom of the press, has contributed largely to the political education of the masses. The syndicates of the workers put them in contact with political men; that is to say, with the members of the Fascist party who direct the said syndicates. It is really these syndicates, together with the syndicates of employers of labor, who designate the names of the candidates for Parliament to be presented to the Great Council of Fascism. This council gives out the definitive list which is submitted to the electors (only men who have a profession or trade and who are not politically prejudiced) to approve or reject the entire list. . . . If the electors reject the list of the candidates as it is drawn up by the Great Council of Fascism the work of the government is not approved, but there is no one elected.

The political education of the masses is based on the principle that the individual is but a negligible unit if he is not useful to the State and doesn't serve the superior intentions which the State indicates. . . . supreme exaltation, then, of nationalism and decided renunciation of every liberal idea.

The Swiss people are in a peculiar position. The nation is not large and does not play the game of international politics to any considerable extent. It is neutral territory, and its neutrality the larger neighbors are pledged to respect in case of war. Switzerland is the seat of most of the important international conferences and of the meetings of the League of Nations. Geneva and the other beautiful Swiss towns have become a sort of collective capital of the world insofar as it is organized politically. The Swiss are inclined, therefore, to watch international developments from a highly interested but detached point of view. One of our Swiss correspondents, after commenting on the world depression and the various international rivalries which intensify it, says:

So we can search as much as we like for the motives of this crisis, but we will always come back to the fact that the recovery of business prosperity is only possible if the political situation of the whole world soon becomes better. To reach this goal should be the objective of the present conference of disarmament at Geneva.

Another indication that the people of some particular nation may not be inter-

ested in the problems about which the outside world would expect them to be concerned, comes from Poland. One of our Polish correspondents who lives in the Polish capital, Warsaw, tells us that the people of his country are not so much interested in international politics as one might suppose:

We, in Poland, are at a cross current of international politics—Germany to the west, Russia to the east, the Danube block that Tardieu is trying to form to the south and the Baltic states to the north. This is Poland's geo-political (to use the German term) situation. One should think that in such a situation the Poles would be greatly interested in international politics. This is not the case, however. The main reason is that our domestic situation is far from satisfactory. The world crisis is aggravated here by our own crisis which could best be called simply poverty; poverty that lasts years, that is not the outcome of the crisis. Then, our present government, the Pilsudski dictatorship, keeps us fairly busy. You know dissatisfaction with a government and complaints is quite an occupation, which leaves the citizen little time to get himself interested in great world problems unless he is directly threatened. This is the case everywhere and this is one more reason why people who are interested should be able to find each other and to exchange their views.

### AT GENEVA

Delegates to the disarmament conference were disappointed last week at the failure of Secretary of State Stimson to address them. Although Mr. Stimson had arrived in Geneva, he was unable to leave his villa on account of illness. Nevertheless, the conference went forward attempting to reach definite conclusions and agreements. Up to the present time no concrete proposals have been accepted and the work of the past two and one-half months remains preliminary.

Opposition to the American plan set forth by Mr. Hugh S. Gibson has demonstrated clearly how difficult it is for nations to agree even on relatively minor limitations. The conference last week turned its attention from consideration of this and other proposals to the question of what its future shall be. After several hours of discussion, it was virtually agreed that the present conference should be followed by other disarmament conferences. While this does not mean that the present conference has given up hopes of accomplishing results, it brings out the fact that disarmament cannot be accomplished immediately but must be the result of several steps. It was agreed that the present meeting should take decisive steps toward the "general reduction of armaments to the lowest possible level."

The conferees were anxiously awaiting the arrival of Prime Minister MacDonald and Premier Tardieu. It was thought that further steps of importance would not be taken until these statesmen arrived in Geneva, and that Chancellor Brüning and Secretary Stimson would refrain from active participation until that time.



A CANAL IN VENICE © Alvin E. Rutenbeck

### THOUGHTS AND SMILES

"Why invent new weapons to show how terrible war may be," said Hi Ho, the sage of Chinatown, "when it is something we have known for centuries?"—*Washington Star*

A man in Winnipeg, vexed by his neighbor's loudspeaker late at night, bought a saxophone. Now all is quiet at night along that front.—*Toronto (Ontario) Daily Star*

It now costs 9.3 per cent less to live, if you call this living.—*Eric Times*

Passenger traffic has fallen off, but many railroads are letting their dividends ride.—*Arkansas Gazette*

How restful and peaceful it must have been in the old pioneer days when practically the only danger they had to worry about was being scalped by the Indians.—*Ohio State Journal*

The ten "dry speakers" scheduled to appear in Oklahoma City are no drier probably than scores of others we have with us always. Almost any professional speaker is dry enough.—*The Oklahoman*

No man is by nature exclusively domiciled in one universe. All lives are passed under at least two flags, and generally under many more.—*Aldous Huxley*

We read recently of a man who some time ago said something to his wife that made her ignore him for a week, and now he's in a terrible sweat because he can't remember what it was.—*Philadelphia Inquirer*

A recent survey shows that the average radio is used 4.04 hours daily. In that case, it would seem that the average neighbor has 5.941 radios.—*Christian Science Monitor*

"A carpet should be beaten slowly," says a spring-cleaning hint. The average husband, suspecting that he will be requested to perform this operation, beats it as fast as he can.—*London Humorist*

Excepting the old fashioned roller towel, the Washington tax debate beats anything for continuity.—*Detroit News*

A well-known actress declares that bridge is an "insidious, undermining menace to modern civilization." We've been having hands like that lately, too.—*London Humorist*

**PRONUNCIATIONS:** Shidehara (shee-da-hair'a), Herriot (air-yo), Lyons (lee-on'-o as in or, n is scarcely sounded), Nazi (not'-see), Reichsrat (rikhs-raht-i as in time), Wurttemberg (vuer'tem-behrgh—ue pronounced simultaneously), Tutuila (too-too-ee'la).



© Ewing Galloway

HARVEST TIME IN SWITZERLAND



## THE AMERICAN OBSERVER

Copyright, 1932  
by the CIVIC EDUCATION SERVICE

Interpreting national and international events and analyzing currents of opinion. Published weekly throughout the year (except two issues in December) by THE CIVIC EDUCATION SERVICE, 744 Jackson Place, N. W., Washington, D. C.

Subscription price, single copy, \$2.00 a calendar year. In clubs for class use, \$1.00 per school year or 50 cents per semester.

Entered as second-class matter September 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

## EDITORIAL BOARD

CHARLES A. BEARD      DAVID S. MUZZEY  
HAROLD G. MOULTON    E. A. ROSS  
WALTER E. MYER, Editor

WEDNESDAY, APRIL 27, 1932

## REVIEW OF THE WEEK

NEVILLE CHAMBERLAIN, British chancellor of the exchequer, submitted the budget estimates for the coming year to Parliament last week. These recommendations of the British government as to the expenses of the coming year and as to the means by which the money to meet them should be raised, were received with great interest, not only in Great Britain but in America.

The British were interested because the budget figures revealed to them the nature of the taxes they would be obliged to pay. In the budget report they found no good news. The old taxes are continued. The citizens of Great Britain must go on paying an income tax of five shillings on the pound, which, translated into American terms, means that for every dollar they receive in income they pay an income tax of twenty-five cents. One-fourth of their incomes must be paid to the government! This is a sum almost beyond the comprehension of the American, who pays nothing approaching that figure, even in these days of heavy taxation. The tax on beer is also continued and so is the 10 per cent tariff duty.

This budget is interesting to Americans because of its relation to the war debt question. In making out the list of expenses for the coming year the British government, speaking through the chancellor of the exchequer, makes no provision for paying the \$171,500,000 which is due as a payment to the United States government during the coming year. The budget report, in listing the amounts that the British government may expect to receive during the coming year, does not include the sum which is due the British from Germany as reparations. It might be assumed, therefore, that during the coming year reparations will not be paid by Germany and debt payments will not be made to the United States.

Mr. Chamberlain does admit, however, the probability that these payments will have to be taken into account later. He is

simply deferring a consideration of them until after the reparation conference, which will be held this summer at Lausanne, Switzerland. The situation, then, is this: The British government knows that the question as to what shall be paid by Germany in reparations and what shall be paid by the Allied nations as war debts, will be taken up in a few weeks at Lausanne. President Hoover has said that there will probably have to be some readjustment of reparations and debts. What that readjustment will be, no one knows. Until a decision is reached, the British government makes no attempt to say what payments it will probably receive, or what payments it will probably be obliged to make.

This explanation is rendered necessary by the fact that a great outcry was heard in the United States Senate when the British budget figures were published. One senator went so far as to say that if he had his way he would withdraw the American delegation from the Geneva Disarmament Conference and tell the European nations that they must sit down and settle their own problems. The omission of debt payments from the British budget was thus made the occasion for an outspoken reassertion of the principle that America should isolate herself from international discussion of world finance and disarmament, and that she should insist upon full payment of all obligations due her.

It is a fact that the American treasury officials and the legislative leaders, in figuring out our own budget for the coming year, assumed that the debt payments would be made to us by our debtors. In figuring out the sums the government would receive during the coming year, these payments are included. It is also a fact, however, that practically all the governmental leaders in Washington have for weeks been discussing the debt situation calmly in private conversations, and in these conversations have said all the time that of course they knew that in all probability there would be no debt payments to the United States from foreign countries during the coming year. It can be said with assurance that however greatly surprised and however angry these public leaders may appear to be when they deliver public addresses, they will not be surprised if the debts fail of payment. They will be surprised if payments are made.

THE contest for the Democratic presidential nomination has been enlivened lately by the widening of the breach between Governor Roosevelt, of New York, and former Governor Alfred E. Smith. In an address which was widely broadcast, Governor Roosevelt made a reference to the "forgotten man" and implied that the policies of the government did not take sufficiently into account the ordinary man who was without wealth or influence. Mr. Smith, a few days later, speaking at a Jefferson Day banquet, attended by prominent Democrats, made a vigorous attack upon "demagogues" who were trying to array the poor people against the wealthy and thus develop class feeling. His remarks were clearly pointed at Governor Roosevelt. The governor, in a later speech, was quick to assert that he was pleading not for any class but for all the people.

This incident is not important in that it brought to light any new issue, or in that it showed how either of these men stands with respect to specific problems, for it did not do either of these things. It did, however, indicate that there is a cleavage in the Democratic Party, just as there is in the Republican, between the progressives and the conservatives—between those (the progressives) who emphasize the wrongs by big business and the favors received by business from

the government and who appeal to consumers rather than to great producers and to workers rather than capitalists; and, on the other hand, those (the conservatives) who emphasize the importance of fostering great business enterprises with the hope that the prosperity they enjoy will filter down to the masses in the form of better wages and living conditions.

Though Governor Roosevelt does not have the support of all progressives in the Democratic Party, and though he is supported by a fair number of conservatives, it is becoming apparent that his leadership is recognized by the progressive wing of the Democratic Party—that wing which corresponds to the La Follette-Norris group in the Republican Party. At the same time, Mr. Smith, who with his friend, John J. Raskob, chairman of the Democratic National Committee, is closely associated with large business concerns, though he has the support of many progressives, is assuming the leadership of that group in the Democratic Party which corresponds to the Republican group led by President Hoover and the regular Republican chieftains.

AN outstanding development of the last week has been the growing feeling of alarm lest war break out between Russia and Japan and lest the other nations be drawn into the whirlpool of strife. Japanese military officials claim that the Russians are amassing troops along the northern borders of Manchuria, and the Russians assert that the Japanese are stirring up the people of Manchuria against the Russians and that Russian interests in that province are threatened. The New York Herald Tribune represents the feeling of a considerable section of the American press when it views the Far Eastern situation with this note of alarm:

Since the Japanese military took charge of foreign policy last fall they have made it clear in speech and action with increasing frankness that Russian good will is worthless in their sight. Treaty relations with the Soviet Union have netted Japan nothing but a thriving Communist movement. If the inclusion of the Russian sphere in Japan's Manchurian dependency leads to a war the military will welcome it as an opportunity to settle scores that have made diplomacy look impotent and foolish. This change from the conciliatory attitude which Baron Shidehara maintained toward Moscow from January, 1925, when he was responsible for the resumption of trade relations, until December of last year, when he tried to restrain General Honjo's advance into the Russian railway zone, undoubtedly took the Soviet Union by surprise. Moscow was too deeply immersed in her economic program and too ill-prepared in the East to do more for some months than advertise her resentment of Japan's operations through querulous inquiries into their purpose. In latter weeks, however, the tone of Russian comment has undergone a complete change. Moscow's reinforcements are now in position, Soviet citizens are leaving north Manchuria and liquidating their businesses while their spokesmen broadly hint that Russia is ready to fight for her great establishment in Manchuria and for her direct line of communication with Vladivostok.

To bring matters to a head it is now Russia's business to provoke what trouble she can for Japan in "Manchoukuo" and to cultivate Japanese ill will at Geneva and in any other gossip market to which she can get access. It is likewise Japan's business to outrage Russian susceptibilities in Harbin, on the frontiers and in the fisheries, until some incident strikes the desired spark. This contest in provocation and forbearance is one that may go on for months or years, and in the long run come to nothing. But it is also a game that could as easily give way tomorrow to a burst of fire that would set all Asia agog and put a serious strain upon the peace of Europe.

IT was agreed last week by the special Economy Committee of the House to include all the economy measures in a single bill and present it for discussion. It was the wish of President Hoover, after holding several conferences with the committee, that all items be written into a single omnibus bill in order to insure more



ANOTHER RACER WHO DOESN'T FEEL SO GOOD  
—Brown in N. Y. HERALD TRIBUNE

speedy action and greater likelihood for passage in both houses. While the committee accepted the president's views on this subject, it did not do so in regard to other matters of economy. It agreed to include in the omnibus bill the items agreed upon by the president and members of the committee but it also planned to include other economies which did not meet the approval of the chief executive.

Principal among the differences was that of a reduction in the federal pay roll. Democratic members of the committee are still holding to their previous views that a straight eleven per cent cut for all government employees receiving more than \$1,000 is better than Mr. Hoover's proposal. The president would have the employees put on a five-day week or take "vacations without pay" in order to save money. Then, the Democrats were also anxious to include in the omnibus bill a provision that the War and Navy Departments be consolidated. The president has likewise opposed this merger. It was the opinion of the Democratic members of the committee, however, that the president could not veto the bill even though it contained certain provisions which he did not accept because it was his original idea to rush through the omnibus bill.

UNDER the chairmanship of Reed Smoot, veteran senator from Utah, the Senate Finance Committee continued its hearings on the tax bill last week with indications that it would be some time before the measure would be ready for consideration of the Senate as a body. The committee was "between two fires" last week. While Secretary Mills was urging that the tax on automobiles and trucks recently adopted by the House be increased by two per cent and one per cent respectively, leaders of the motor industry were pleading against unfair discrimination against their product. Mr. Firestone, Mr. Chrysler and Mr. Sloan, all presidents of huge automotive corporations, presented their case. They believe the motor tax would be a blow to the entire industry and would cause plants to curtail production and throw additional men out of work.

At the same time, other producers whose goods were included in the tax list of the House presented their case against the proposed levies on their products. Cosmetic manufacturers, coal importers, individuals interested in the grape concentrate business, felt that their products should not be taxed. This opposition gave rise to the suggestion on the part of some that the Senate committee should give consideration to the sales tax, defeated by the House.

It is hard to say what will be the final suggestions of the Finance Committee. Secretary Mills has now presented his plan in detail which, it is estimated, would yield \$1,033,000,000 in revenue.



STILL AGREED TO DISAGREE

—Sykes in N. Y. EVENING POST



## THE LIBRARY TABLE

### STUDIES OF OPINION

#### VIII

The St. Louis *Post-Dispatch*, a Democratic paper of strong liberal, or progressive, leanings, calls attention to progress which, under liberal leadership, the state of Wisconsin has made. The following editorial comments indicate the nature of the contributions which that state has made, according to the chief journalistic exponent of liberalism in the Middle West:

No one at all familiar with the career of Wisconsin under the leadership of the La Follette could be surprised to learn, from last Sunday's *Post-Dispatch*, that the State is in a more fortunate financial position today than any other in the Union. Wisconsin's primacy in sound government, in able and enlightened leadership, in courageous and pioneering legislation, has become one of the epics of American politics.

Behold Wisconsin today. She has no bonded debt and is thus not paying out huge sums of interest. Her schools, roads and eleemosynary institutions are paid for. Her largest city, Milwaukee, performed the astonishing feat of rolling up a surplus in these depressed times and thus landed itself on the front page of every newspaper in the country. Her smaller cities, by and large, are solvent. . . .

Wisconsin has reformed criminal procedure to provide speedy trials for criminals. She has eliminated the grand jury, except in cases requiring investigation, and, by strict bonding regulations, has ousted the professional bondsman. A board of alienists appointed by the court passes upon insanity pleas. "They don't plead insanity in the Badger State," wrote Ruel McDaniel in the *North American Review*, "unless they are insane. . . ."

These are only a few of the forward-looking measures that have been passed in Wisconsin. Wisconsin's progressivism is the result of two major causes: one is the La Follette family and the other is the political education of the voters.

The Washington *News*, a Scripps-Howard paper independent as to party politics, advanced liberal, is active in its campaign against crime, and representing as it does bitter opposition to prohibition, it sees in recent crime increases one of the effects of the prohibitory experiment:

Dr. Frederick Hoffman, statistical expert, announces that there were last year in the United States 109 homicides for every one million of population. This is double the rate in 1900, and distinguishes our country by breaking all records of history.

While the highest rates are in southern cities, the Chicago homicide rate is 141 per million, New York's 83. Across the border, 14 Canadian cities show a rate of only 16 per million. In London the rate is 8, in Liverpool, 5.

War that cheapens life, and prohibition that creates gangsterism, must take much of the blame for this record.

Dr. Hoffman would abolish capital punishment in order to make punishment quicker and surer. Why not also abolish wars and prohibition?

As a usual thing we find conservatives, representing the business interests as they usually do, friendly to wage reductions. As the subject is coming up at Washington just now, however, a choice is to be made between the cutting of wages and the eliminating of a number of activities in which the government has been engaged. Conservatives are usually found opposing an extension of government activities, except such activities as are engaged in for the purpose of stimulating business. Hence, we find the extremely conservative Washington *Post*, Republican, opposing wage cuts and favoring the restriction of government activities:

The temptation to cut down Federal pay, either directly or indirectly, is very great, in view of the urgency of the situation, but it would be most unwise to yield to this temptation. Federal pay is already unjustly low. Federal extravagance in big appropriation bills is unjustly high. The right place for use of the pruning knife is in these big appropriations, and not in the reduction of pay of poorly paid Federal employees. One or two superfluous items cut from appropriations for unnecessary projects would more than equal the total which it is proposed to wring from the Federal employees.

The Baltimore *Sun*, a progressive Demo-

cratic paper, takes the following shot at the state officials and business interests in Kentucky, who, by acts of violence, have prevented outsiders from investigating conditions in the Kentucky mines:

Kentucky is still successfully standing off the foreigners who want to look at her coal fields, and so far she has won every decision. In view of the fact that she is able to muster up a number of strong-arm committees equipped with guns, whips, blackjacks and similar weapons, and has been pitted against such effete opponents as lawyers, writers and college students, there is no great surprise in her ability to repulse the invader. The defense has been successful in that it has produced a number of broken heads, many bruises and much indignation. That it has

ten another book, "Laughing in the Jungle" (New York: Harper's. \$3.00).

"Laughing in the Jungle" is the story of the author's life, and particularly of his impressions of America. In the early chapters he tells of returned emigrants who came back to the Slovenian village with accounts of their experiences in America. Some of them were boastful and their tales of wealth and luxury to be found in the miracle land of the West set the peasant boy to dreaming of the time when he, too, might find wealth and adventure in the land of promise. Others told a different story. Peter Molek came back disillusioned and ruined in health, to die in his native village. He described America to the young Louis and showed him books which he had brought home with him, one of the books being called "The Jungle."

"A jungle," Peter Molek explained, "is a



© Ewing Galloway

#### HOW WILL THEY FARE AFTER LANDING?

One of them, Louis Adamic, throws considerable light on that subject in his recent book, "Laughing in the Jungle."

been heroic, gallant or even effective in any complete sense it is hard to believe.

. . . And the oftener Kentucky turns back the invaders with a punch in the nose the better advertised does her self-imposed isolation become, the keener its appeal to the ingenious and adventurous. By this time, we imagine, there is scarcely a section of the country that does not suspect that behind the coal fields' militant pride there is hidden something nasty and even shameful.

#### AN IMMIGRANT'S STORY

Louis Adamic was born thirty-three years ago in Carniola, which was at that time a province of Austria, but which since the war has been a part of Yugoslavia. He lived the ordinary life of a Slovenian peasant boy until he was thirteen years old, when he came to America. After reaching this country, he spent some time in New York, and finally found his way to California. After having engaged in a good many kinds of work and after having associated with people of many different classes, he has during the last few years gained wide recognition as a writer. He has contributed stories to *The American Mercury* and other periodicals, and has written "Dynamite," a narrative dealing with labor violence. And now he has writ-

wild place, a great forest, all tangled up with vegetation, everything growing crisscross, almost impenetrable, mysterious and terrible, infested with beasts and snakes, and spiders bigger than my fist. . . . This is a book about the United States, although there are no jungles in the United States, so far as I know. But the whole of America is a jungle. This is a story about people like me—foreigners—who go there and are swallowed by the jungle."

Thus we have the clue as to the title which Mr. Adamic has chosen. He comes to America, sees it, learns of the experiences of his countrymen and of other foreigners who have migrated to the new land, finds much that is wonderful about the new life, is in many respects disillusioned, but maintains a gayety of spirit—goes on "laughing in the jungle."

It helps us sometimes to get a picture as to what our country is like if we can see it with the eyes of a newcomer. He may bring to our attention facts and conditions which we have been unable to see because we have simply taken them for granted, as we do the air we breathe. The author of this book does not, of course, tell the whole story of American life and its meaning, for he has seen but a fragment of it, but he does furnish an effec-

tive picture of immigrants in America and of how they fare in this complex civilization which he is pleased to call "the jungle."

#### ABOUT KIDNAPPING

The kidnapping of the Lindbergh baby has reminded Americans forcefully of the strange fact that in the midst of what in many ways is a modern and marvelous civilization, a crime ordinarily associated with backward and barbarous peoples is prevalent and is practised almost with impunity. Not only are Americans reminded of the fact of kidnapping in America, but so is the whole world. People everywhere have been reading of kidnapping in this country and they are asking how it happens that such a thing can be tolerated here.

Edward Dean Sullivan has made a study of kidnapping which he calls "The Snatch Racket" (New York: The Vanguard Press. \$2.00). The book covers the ground quite well in a breezy, journalistic style. It relates the facts and gives a number of suggestions as to how the evil may be combated. One bit of advice is that there should be federal legislation which would make it easier for officers to pursue kidnappers across state lines.

#### THE FAR EAST

In another column of THE AMERICAN OBSERVER we speak of the possibility of a clash between Russia and Japan. For the first time in many months there is real danger that war may break out between major powers and that the outbreak may not be long delayed. At any rate, there has come quite recently a recognition of the conflict of interest between Russians and Japanese in Manchuria.

As a background for an understanding of a world situation which no student of present-day conditions can afford to neglect, two recently published books may be recommended. "Manchuria: Cradle of Conflict," by Owen Lattimore (New York: Macmillan. \$3.00), is not concerned primarily with the disturbance of the last few months. It goes back farther than that and describes fundamental and relatively prominent aspects of the conflict in the Far East. This is a conflict of three civilizations, the Chinese, the Japanese and the Russian. The author describes the nature of these conflicting forces, the culture of each, and the diplomatic objectives.

"Manchuria: the Cockpit of Asia," by Colonel P. T. Etherton and H. Hessel Tiltman (New York: Frederick A. Stokes. \$3.00), describes in greater detail the events of recent months. These authors bring together the facts bearing upon the immediate controversy which has involved China and Japan in Manchuria, and which has tested the peace machinery of the League of Nations and the Paris Pact. Though not to the same extent as the other book dealing with fundamentals of the Far Eastern problem, it does furnish a rapid survey of the situation which has now become so dangerous to world peace.

#### EXCELLENT SHORT STORIES

Those who like short stories of the sort that appear in our best magazines will find a particularly good selection published as "20 Best Short Stories in Ray Long's 20 Years as an Editor" (New York: Ray Long and Richard R. Smith. \$3.00). Mr. Long has edited several magazines and has come into contact with the best of the English and American short story writers. He has brought together here the twenty which, in his opinion, are outstanding. As an introduction to each story he tells something about the author and gives a history of the particular story in question. In many cases the stories were published only after having been rejected by a number of editors. Mr. Long tells of these experiences and in several cases of the circumstances under which the story was written and accepted. These stories are, in our opinion, to be commended because of their wholesomeness of tone. Mr. Long seems not to feel, as Mr. O'Brien, editor of the annual "Best Short Stories" series apparently does, that a story must be morbid in order to be highly rated.





THE Spanish-American War is frequently said to mark the beginning of a new era in American history. As a result of that war the United States became a world power. Therefore, according to this interpretation, our country had been concerned chiefly with domestic problems.

**America  
Looks  
Outward**

After that time it faced outward and became more concerned with international problems and politics. All this, of course, is true. And yet the break with tradition was not so sharp as may be imagined. The Spanish War and the events which followed represented, not so much an altogether new movement in American political life as a logical development of forces which, from the early days of the Republic, had been shaping American policy.

Our government and our people have always been looking outward. They have paid much attention to their relations with their neighbors. They have been in frequent conflict with those neighbors, whom they have pushed farther and farther away. Before the internal war of 1861 to 1865, however, their relations were with neighbors who dwelt along the country's borders. There were quarrels with the English and the Spanish and the Mexicans over frontiers. There was an enlarging of territory, but the expansion took in only adjacent territory, unpopulated territory, territory that might easily be absorbed into the expanding nation. By the middle of the nineteenth century this old form of expansion had run its logical course, and the American nation stretched across the continent from the Atlantic to the Pacific.

A great part of this expansion had been carried on by the government when it was under the influence of slaveholders who wished to increase the territory which might reasonably be expected to adopt the slave economy. After the war, another group cast its spell over the government—the northern manufacturers and merchants. They desired expansion, but for another principle. They wished to expand in order further to develop business with the outside world. Their expansion was different in another fundamental respect. They looked, not to adjacent territory, but to territory separated by water from the mainland, territory already populated by a people who could not be absorbed into the common body of Americans, people who, if brought under the folds of the American flag, would come in as subjects.

This newer sort of expansion did not begin with the conquest of Spanish possessions in 1898. In 1867, Secretary of State William H. Seward, an ardent expansionist, purchased Alaska from Russia and forced through Congress by means which would hardly bear the light

**Early  
American  
Expansion**

of honest examination, a treaty ratifying his action. He then turned his attention to the southward and negotiated treaties for the acquisition of Samana Bay and Santo Domingo, for the purchase of the Virgin Islands from Denmark, and for the American control of the Isthmus of Panama. Congress, however, refused to sanction these agreements.

When, a little later, General Grant assumed the presidency, he continued the effort to secure Santo Domingo for the United States. There was a revolution in Santo Domingo and Grant, dealing with one of the rival factions of the island, negotiated a treaty for the annexation, which the Senate rejected. President

Grant made the frank statement that if the Senate had not prevented it, "the soil would soon have fallen into the hands of the United States capitalists."

Very shortly the expansionist urge carried the American flag into the Pacific and hoisted it over the Samoan Islands, one of which, Tutuila, seemed appropriate as a naval base. After years of wrangling between the United States, Great Britain, Germany and native chieftains, a division of the islands was made, with the United States retaining a naval base at Tutuila. Meanwhile, capitalists had made heavy investments in the Hawaiian Islands. They clamored for annexation in order that they might be brought within the American economic system, so that their sugar would not be excluded from the American markets. The revolution was incited by these American interests. The Hawaiian queen, insisting upon independence, was deposed, and the islands were duly annexed. When, therefore, in the eighteen nineties, an insurrection against Spanish rule broke out in Cuba and when, after a while, America took up arms and drove Spanish power from that island, the people and the government were prepared by tradition to take advantage of the opportunities for overseas expansion which the military victory presented to them. The Spanish War does not, therefore, mark either the beginning or the end of the outward reach

of American power. It was an incident—an important and dramatic incident—in that development.

The Spanish-American War is interesting, not only as a chapter in the story of American expansion, but as an illustration of the way a people who think of themselves as being peace loving may stampede into war for the sheer joy which comes from battle with a weaker antagonist.

As the insurrection in Cuba developed, American feeling was aroused and excitement grew. Minds were inflamed by the wildest stories of Spanish atrocities. After the battleship *Maine* was blown up in Havana Harbor, the excitement was at a fever heat. The American government demanded that Spain relinquish its hold upon Cuba and grant self-government. The Spanish government, recognizing the superior power of the United States, was willing to meet the demands, but it had to move slowly because the feeling of the Spanish people was also aroused, and a too ready compliance by the Spanish government would have resulted in a revolution. President McKinley knew this, and so did the leaders of Congress, but the American people, inflamed by the Hearst Press and other journals of that type, had come to de-

**How  
War Came  
in 1898**



—Leslie's Weekly (Culver Service)  
ADMIRAL GEORGE DEWEY ON FLAGSHIP OLYMPIA IN MANILA BAY, MAY 1, 1898  
Admiral Dewey became a national hero when his fleet sank the Spanish ships in Manila Bay. His fame was dimmed a few years later by his political indiscretions.

mand, not the acceptance of American demands, but war itself. James Truslow Adams, in "The Epic of America," says:

When he [President McKinley] sent an ultimatum to Spain the day after the American commission reported that the *Maine* had been blown up from the outside (which, even if true, did not necessarily determine that it had been by the orders or connivance of the Spanish government), General Woodford [American minister to Spain], whom I happened to know and who was an honest man, cabled to McKinley within forty-eight hours that Spain knew Cuba was lost, that she was willing to let her go and do everything possible to placate the United States as rapidly as might be consistent with avoiding revolution in Spain itself. Shortly after that he cabled again that he could secure, before August 1, the acquiescence of Spain in either the independence of Cuba or even the annexation of the island to the United States, and that Spain was loyally ready to make any concession. The next day after receiving this cable, McKinley sent a message to Congress asking for a declaration of war. Perhaps he had been too deeply stung by Roosevelt's remark that he "had no more backbone than a chocolate éclair," and so proved the positive in trying to prove the negative.

And Walter Millis makes this comment in "The Martial Spirit:"

"In the opinion of nearly all writers on international law," as an American student of the subject later found, "the particular form of intervention in 1898 was unfortunate, irregular, precipitate, and unjust to Spain. The same ends—peace in Cuba and justice to all people concerned—in themselves good, could have been achieved by peaceful means safer for the wider interests of humanity." But one may question whether the American people by this time were in fact interested either in peace or in humanity. Certainly amid the splendid excitement of that Thursday afternoon the officials and bureaucrats, upon whom the responsibility of action had now devolved, entertained no doubts. With their offices and corridors "thronged with Congressmen and citizens-at-large," assailed by perspiring and patriotic gentlemen offering their services, offering their advice, demanding favors and claiming contracts, with the air filled with the intoxication of war plans and war preparations and war possibilities, with the crowds milling before the bulletin boards in the streets and with the "eager representatives of the press" in every corner, how could they have paused before that deep, bloody, and irresistible fascination of impending battle?

It is not to be supposed, of course, that the American people were conscious of the fact that they were entering into war for the excitement of it, or that they were entering into it wholly without necessity. No people ever do that. They always justify themselves with the thought that they are battling for God and humanity and country. The Kaiser's cry as he entered the World War, "Gott mit uns," was not a cry peculiar to German militarism. Mr. Millis makes further observation about our entrance into the war with Spain:

It was a war entered without misgivings and in the noblest frame of mind. Seldom can history have recorded a plainer case of military aggression; yet seldom has a war been started in so profound a conviction of its righteousness. If there was, indeed, a lingering perplexity in some minds as to what it was really all about, this failed to dampen the grandeur of our altruism.

As a result of the war, Porto Rico and the Philippines fell into our national lap. This result had probably not been anticipated by the average citizen, but it had been carefully prepared by our naval commanders and by political expansionists, such as Henry Cabot Lodge and Theodore Roosevelt, the latter having

(Concluded on page 8, column 3)





© Wide World Photos  
THE REICHSTAG IN SESSION, WITH FASCISTS IN LEFT BACKGROUND  
Control of this body is Hitler's ultimate goal, for with it will come control over the German government.

## PRUSSIAN ELECTIONS TEST HITLER'S POWER

(Concluded from page 1, column 1)

relief from public sources. It is said that half of the German people have an income below the minimum requirements. The government does what it can by providing a dole for the unemployed, but its finances are in a precarious condition. The average German looks about him hopelessly wondering what new hardship is going to befall him and his countrymen.

No better insight into the effect which the economic depression has had upon the German people can be gained than by direct communication with the people themselves. In recent weeks THE AMERICAN OBSERVER has received numerous letters from Germans in every walk of life. Practically all of them tell the same story. For instance we have the following:

I live in a district which is rich in industry. The number of unemployed is therefore considerable. From out of our window, about fifty yards away, we can see the huge Leuna-Works, which is certainly known throughout the world. Four or five years ago, this plant employed 25,000 men; today it gives work to 6,000.

Another says:

We live here in the center of the west German textile industry. . . . It is impossible to imagine what this unemployment is. Our town has about 400,000 inhabitants and more than 40,000 (registered and doled) are unemployed.

And still another:

I can understand the strength of the "Nazis" (Hitlerites). They could reach such a number because everybody is in despair, nobody earns enough money. The government demands all sorts of taxes, many have not enough to sustain themselves. Yes, we have many troubles in our country, which one cannot describe, one must see them.

It would be easy to go on quoting indefinitely from these letters, without changing the theme. The Germans all give the same account of the situation in their country. There can be no doubt that Germany is in distress.

### HITLER GAINS

Therefore, it seems largely for this reason that Hitler has displayed such amazing strength. There are of course others. Hitler has promised a stronger foreign policy which appeals to a great number of Germans. The people on the whole feel very bitter about the burdens which have been imposed upon them since the war. They are of the opinion that in all justice they should not be made to pay reparations. Even Chancellor Brüning, who has pursued a policy of moderation and of coöperation with foreign countries, has said that Germany will not be able to pay reparations after the expiration of the Hoover moratorium next July.

But German discontent with foreign af-

fairs does not stop with this. Millions of Germans are demanding that the Treaty of Versailles, concluded after the war, be revised. They want some of Germany's former territories to be restored to her. They want to have their country take its place as an equal among other nations. They believe that they should have armaments equal to those of other European nations. They consider themselves almost as a subject people and declare that they can no longer stand for it.

Adolf Hitler has announced his determination to do away with the Treaty of Versailles if given power. He promises to throw off the yoke from the shoulders of Germany. He claims that he will put his country on the way to recovery. All this makes an appeal to the dissatisfied elements in the country. Many, especially the youth, are willing to give Hitler a chance. They reason that conditions can hardly be worse than they are at present. And so Hitler goes on gaining at every turn.

The Nazi leader met what appeared to be his crucial test on April 24 in the Prussian election. In order that the full weight of this election may be gathered it is necessary to inquire into the general structure of the German government. How does the system operate? What is the position of Prussia and the other states, and what is the position of the central government?

### GOVERNMENT

Germany is termed a federated republic. The country is divided into fifteen states and three free cities. For the whole country there is one main government in Berlin. There is a president, a lower house, the Reichstag, and an upper house, the Reichsrat. As in other countries, there is a council of ministers presided over by a chancellor, or prime minister. The chancellor is appointed by the president and is responsible to the Reichstag. He must have the confidence and support of this body or he cannot continue in office. The central government has wide powers granted to it by the constitution. It maintains a very effective control over the entire country.

However, each of the states and free cities has a government of its own in a manner somewhat comparable to those of the states in this country. Generally, those governments are modeled after the central government, except that in most cases there is only one house of parliament instead of two. Each has a council of ministers who are held responsible to the diet or assembly.

A link is established between the central government and the state governments through the Reichsrat. The upper house of the central government is composed of delegates from the ministries of the states and free cities. Each state is represented by one or more members of its ministry. In this way the political situation in the various states is reflected in the central government as soon as a new state diet is chosen. It is not always necessary to wait for a general Reichstag election, which oc-

curs generally every four years. And while the Reichstag has practically all the power of government in its hands, the Reichsrat, if opposed to the ministry, can make the enactment of legislation so difficult that it may force the chancellor to resign. This may lead to a general election for the Reichstag resulting in a new allotment of seats in that body.

This is why state elections in Germany are so important. They are especially important at this time, because Chancellor Brüning commands only a slender majority in the Reichstag and should a new election be held it is highly probable that he could not again win the confidence of that body.

### PRUSSIA

That was the aim of the National Socialists in the elections of April 24. They were determined, if possible, to win enough seats in the Prussian Diet to enable them to form the ministry. Prussia, it will be remembered, is by far the largest state in Germany. It practically dominates the entire country, and if there is a political upheaval in that state a similar development is most likely to occur in the whole of Germany. Prussia sends twenty-seven ministerial delegates to the Reichsrat, many more than any other state.

It is through this channel that Adolf Hitler hoped to gain power after his defeat in the two presidential elections. He hoped for success in Prussia and in this way to increase his representation in the Reichsrat. In the last Prussian elections, held in 1928, the National Socialist Party received only 350,000 votes. In the recent presidential elections it polled 7,400,000. Hitler was confident of doing even better than this because he has felt that he was growing stronger every day, and as he had increased his vote in every election thus far, he could reasonably expect to do so again.

In addition to the Prussian election there were also elections in three other states, Bavaria, Württemberg and Anhalt, and in the free city of Hamburg. Next to Prussia, Bavaria is the largest state in Germany. It sends eleven delegates to the Reichsrat. The other districts are of lesser consequence. Hitler and his followers campaigned as vigorously in these parts of Germany as they did in Prussia. They were intent upon registering every possible gain, and taking another step toward the conquering of Germany in this critical moment. They were confident of success. The Brüning forces, on the other hand, while realizing the dangers to them in the growing power of Hitler, felt that he would fall short of his aim just as he did in the other two elections.

### OPTIMISM

President Hoover sees many encouraging signs in the present economic situation of the country. He believes that the pessimism of recent weeks, particularly that

which prevailed at the sudden decline of the value of securities listed on the New York Stock Exchange, is unwarranted. As hopeful signs, Mr. Hoover listed such things as the prospect of balancing the budget, of effecting economies in governmental departments amounting to several hundred million dollars, an improved condition in the banking field, particularly fewer bank failures, a general trend away from hoarding. The president believes, however, that public confidence is an important item in speeding up recovery.

At the same time this statement was made at the White House, the president made a recommendation which has been considered by many to have far-reaching importance. He suggested the adoption of the five-day week in the government service as a method of employing additional people. He also inferred that such a plan, if adopted by industries throughout the nation, might be an important factor in stabilizing employment. Mr. Hoover is of the opinion that if the government adopts the five-day week principle, other employers will follow suit and will thus be able to give work to thousands of people.

### FRENCH ELECTIONS

With the campaign for the coming elections in France well under way, people are constantly turning their attention to the two outstanding political figures seeking to gain control of the French Chamber of Deputies. The one is André Tardieu who, as premier, and as head of the French delegation to the disarmament conference, is already in the public view. He is struggling to retain control so as to continue to direct the affairs of France. The other, Edouard Herriot, as ex-premier and former mayor of the industrial city of Lyons, is doing his utmost to have his party, the Radical Socialist, gain enough seats in the elections to place him at the helm of the French government.

It appears from speeches made by M. Herriot in which he attacked the policies of the governments of Tardieu and Laval that if successful in becoming premier, he will strive to create a better feeling between France and the other great nations. He accused the present régime with having isolated France from the other powers. But on the important question of debts and reparations, which is really the question upon which hinge France's relations with other nations, M. Herriot does not appear to be inclined to be more moderate than the government now in power.

Turkey, one of the few important countries to remain outside the portals of the League of Nations, may soon reverse her policy and become the fifty-sixth member of that organization. Whether such action will be in September at the time of the regular meeting of the Assembly, or in May when a special session of the Assembly is scheduled to be held is not yet known.



© Ewing Galloway

THE FRIEDRICHSTRASSE, A FAMOUS STREET IN BERLIN



## STUDIES IN VOCATIONAL GUIDANCE

### VII

#### INTERIOR DECORATION

*Through an arrangement with the Institute for Research, of Chicago, we are able to present facts about vocations which the investigations of that organization have made available. The responsibility for statements made in this sketch is our own, but certain of the facts presented are derived from the studies prepared by the Institute. More complete material may be obtained from "Careers," a publication of the Institute for Research.*

Interior decoration is more than a profession. It is an art. Its aim is to create beauty. And the interior decorator who succeeds in producing beautiful surroundings in a home is as truly an artist as is the man who paints a beautiful picture. The profession is one that appeals to people of good taste and refinement who appreciate the importance of beauty in life. It offers equally good opportunities to women as to men, and though it cannot be considered as a money-making career any more than law or medicine, it is a particularly satisfying vocation for those who are fitted for it. The best interior decorators, too, make a good deal of money.

The term interior decoration means the choosing and combining of articles and materials to make attractive surroundings. It includes the designing of furniture and wall decorations as well, and is thus closely related to architecture. Indeed, many architects and interior decorators work together. Not only are interior decorators called upon to furnish homes, but also offices, hotels, clubs and all kinds of public buildings.

There are many attractive features about the work of an interior decorator. For one thing, there is the joy of working with beautiful things. There is also the thrill of doing something creative, of designing new furniture, of using originality in color combinations or furniture arrangements. And one is constantly meeting interesting people. The work is never monotonous. Every job is different from the last, presenting some new problem to solve. There are disadvantages, of course, as is true of every career. For instance, every job, no matter how interesting, calls for a great deal of detail work which there is no way of avoiding. It is expensive, too, for the independent decorator to submit estimates on any particular job. If the contract is awarded to some one else, the time and materials consumed in preparing the estimates are lost. And finally, the beginner must expect to receive little or no pay for his work at first. His position is something like that of an apprentice.

What are some of the qualifications of

the successful interior decorator? We have mentioned good taste as one. But natural good taste and even talent are not enough. One of the most essential qualities is an accurate sense of color. One must have a "feeling" for color that guides unerringly to the right color harmonies. The decorator must also have good judgment about the use of materials. The material must be suitable as to texture, color and design for the purpose for which it is used. This is especially important for furniture upholstery. A chair, for instance, may easily be spoiled by using the wrong kind of material; or, the material might be all right in itself, but not correct for the period represented by the chair. The interior decorator may learn a great deal by study and experience, but he needs first of all an inherent fitness for the vocation if he is to succeed, and he needs a keen appreciation of the value of art in life.

Some one has said that an interior decorator "must know a little of everything and everything about decorating." That is a large order, but at least it indicates the need for as good a general education as possible. Most art schools require a high school education for admittance, and many prefer some college work. A broad, cultural background and travel will always prove assets. But if one cannot do much traveling, a good substitute is to be found in reading. Read all you can of history, especially, for the interior decorator needs to know about such things as the rugs and furniture representing different historic periods, and these are inextricably bound up in the lives of the people of these periods. Not only does the student in art school learn about draperies, tapestries, hangings, wall decorations, rugs and furniture, but he is also taught to make rapid sketches, in order that he may be able to illustrate his ideas in talking to clients, and he learns to make perfect drawings to be used in submitting estimates for prospective jobs. In addition, the student is given a course in the processes of interviewing clients, dealing with wholesale and retail houses, preparing estimates and other practical matters.

After a two or three year course in an art school, the student is ready for a position, probably either with a firm of decorators or in the decorating department of a large department store. He will receive practically no salary at first with the firm of decorators, but will learn a great deal of the best in art, of the way to approach clients, where to secure materials, and so

on. In the department store he would likely be given a beginning position as salesman in the decorating department, at a salary of \$15 or \$25 a week. After gaining the necessary experience in this way he may be added to the staff of decorators in the department store or in the independent decorator's establishment, at a salary of from \$35 to \$40 a week. Assistant decorators receive from \$50 to \$100 a week, but the number of such positions is limited and many people decide to set up their own independent establishments. Opportunities for interior decorators are increasing, for the appreciation of beauty and artistic furnishing is growing in America.

#### SOCIAL SCIENCE BACKGROUNDS

(Concluded from page 6)

been at that time assistant secretary of the navy. There was a difference of opinion among American business interests as to whether the acquisition of the Philippines was a good thing. Those who looked upon the islanders as customers for our goods favored the acquisition, but sugar producers in this country, who looked upon the free admission of Philippine sugar to our ports as a threat to the American sugar business, regarded it with misgivings.

And now, a third of a century after the planting of the American flag over the islands, the House of Representatives has declared overwhelmingly for the granting of independence to the Philippines after a term of years, during which they shall have established self-government. This action results from a combination of influences—on the one hand a misgiving on the part of many Americans as to whether the holding of people as subjects accords with the principles of traditional American democracy, and, on the other hand, the desire of American sugar interests to free the islands so that our tariff wall may be effective against their products.

#### ANGLO-IRISH QUARREL

Eamon de Valera, president of the Irish Free State, had a definite setback last week in his plans to abolish the oath of allegiance to the British king from the Irish constitution. On the one hand, he met with opposition from several large companies which feel that such action on the part of the Irish government would result in disrupting trade relations with Great Britain. Several big companies announced that they would close down some of their plants, thus throwing out of work many workers, if the de Valera policy is put into effect.

On the other hand, President de Valera met with opposition from the Sinn Fein movement, or at least from a number of members thereof. It had been the previous belief of the Irish leader that once the oath was stricken from the constitution, all political parties would consent to membership in the Dail, or lower house of the Irish parliament. But a branch of the Sinn Feiners last week announced that this alone will not satisfy them. They demand the union of all Ireland, not only the Free State, but Northern Ireland as well. It does not appear that the abolition of the oath will be sufficient to change the minds of the Sinn Feiners.

Retaliatory action on the part of the United States government against the various restrictions imposed by France against goods of this country appears to be imminent. The import quotas which the French government has imposed on many American products may lead to this action.



© Wide World Photos  
HARRY FLOOD BYRD

## Byrd Offers New Referendum Plan

### Would Alter Constitution by Direct Vote of the People

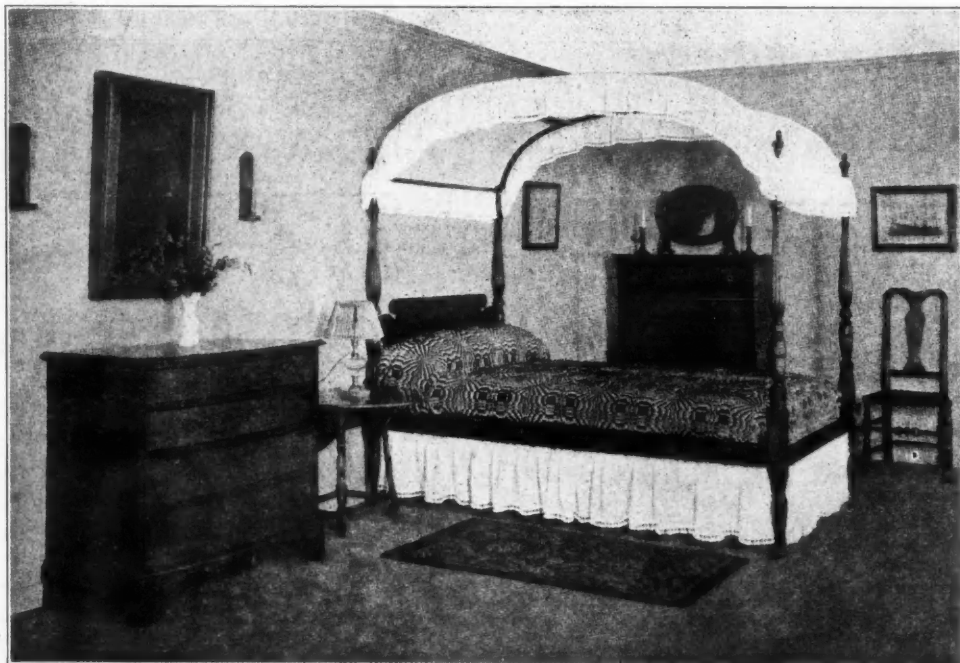
At the recent Jefferson Day banquet held in Washington, Harry F. Byrd, former governor of the state of Virginia, caused considerable surprise when he came out definitely in favor of a popular referendum on the prohibition question. Mr. Byrd, an influential member of the Democratic Party, is a dry. He comes from a dry state. But he believes that the vexatious question should be submitted to the people themselves for a decision. The ex-governor told his fellow Democrats:

Regardless of my own individual views on prohibition or any other question of equal importance affecting the lives and habits and individual rights of the people, I am willing to stand firmly upon the fundamental democratic principle that the people themselves have the right to decide it, and whenever desired by a substantial proportion of our people they should be given the opportunity to do so.

In order to legalize the Byrd proposal of a popular vote on the eighteenth amendment, it would first be necessary to pass another constitutional amendment. The object of this would be to change the present procedure of amending the federal Constitution. Instead of permitting the state legislatures, or constitutional conventions in the various states, to vote on amendments, the authority would be given to every voter. This first amendment would, of course, have to be adopted in the usual manner.

The procedure suggested by Mr. Byrd would be as follows: Whenever Congress shall deem it necessary, it shall propose an amendment either to the eighteenth or to any other amendment which may in the future be added to the Constitution. In order that the proposed amendment may be submitted to the states for ratification, Congress shall designate a certain day on which a vote shall be taken in all the states. Any person qualified to vote in ordinary elections shall have the right to cast a vote for or against the proposed amendment. In other words, amendments would be added to the Constitution or repealed by popular referendum instead of by state legislatures or conventions as the Constitution now provides. It has been charged that Mr. Byrd's proposal is impracticable because it is such a round-about way of tackling the question of prohibition. The ex-governor, however, is of the opinion that it is the only fair way to treat the subject in accordance with the great principle of democratic government that the majority of the people shall decide.

The Spanish Republic has completed the first year of its existence. Business life throughout Spain was at a standstill on April 14 in commemoration of the overthrow of the monarchy under King Alfonso and the birth of the new government.



—From "Careers" (Institute for Research: Chicago)

AN ACCOMPLISHMENT OF MODERN INTERIOR DECORATION